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9 June 1971

MEMORANDUM

Support to the Council on International
Economic Policy

The Council on International Economic Policy (CIEP), whose Executive Director is Peter G. Peterson, has been functioning since March 1971. It has been broadly supported by CIA's Office of Economic Research since its inception.

The first major CIEP product has been a briefing that Mr. Peterson has given to the President, the Cabinet and Congressional leaders entitled, The United States in the Changing World Economy. We designed most of the briefing boards used in this presentation, participated extensively in preparing the text, and produced a set of slides. We have prepared a draft publication, complete with graphics, which Mr. Peterson has recently circulated to Cabinet members for final review. We stand ready to reproduce this publication in quantity (2,500 copies) as soon as its flavor and policy recommendations are agreeable to Mr. Peterson.

CIEP's second study, just completed, is a review of East-West trade, and in particular of US trade policy toward East European Communist countries, including the USSR. It was produced by an inter-departmental working group chaired by the Department of Commerce. CIA/OER participated fully in this study, from the drawing up of the outline to the final drafting. In particular, the second part of the study, which concerns forward projections of likely levels of trade under a variety of possible levels of US controls, was largely a CIA product.

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25X1 Early in May, we furnished CIEP with a senior staff
economist, [] and a secretary. While []
performs a wide variety of ad hoc duties for Mr. Peterson,
25X6 he has been primarily concerned with the economic section
of [] and has been drafting for Council use
a paper on US negotiating strategies [] CIA/OER
has already made the major contribution to the economic
section of [] also has staff responsibilities
on East-West trade.

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25X6 We are presently engaged in an in-depth study of
[] economic relationships, requested by Mr.
Peterson. While we are drawing on the resources of other
government departments, the research effort is largely
CIA/OER. We expect to complete it early in July.

We have provided Mr. Peterson and his staff with a
continuous stream of information on a wide variety of
subjects apart from those specified above. In the past
three months we have sent Mr. Peterson directly a total
of 17 intelligence memoranda.

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